

FACT SHEET:

Bush Budget Shortchanges America's Veterans

Even as middle-class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least, and billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

Proposes new increases in the cost of veterans' health care. The President's budget raises health care costs for over 1 million veterans, increasing drug co-payments and imposing new enrollment fees that will cost veterans over \$2 billion over five years. According to the Administration's own figures, this will result in driving about 200,000 veterans out of the system, and discourage another 1 million veterans from enrolling. Every year since taking office, the Bush Administration has proposed to increase the cost of health care for veterans.

Fails to provide meaningful investment in veterans' health care and slashes long-term care funding. Right now, 30,000 veterans are waiting six months or longer for an appointment at VA hospitals. But the President's budget includes an increase of less 2 percent for veterans health care – not enough to maintain current services and nearly \$3 billion less than veterans' organizations agree is needed. Over five years, the budget for veterans' health care programs is \$13.5 billion below the amount needed to maintain services at current levels. The Bush budget also does nothing to reverse the impact of the across-the-board cut in veterans' funding eliminating health care services for 26,500 veterans that was part of the omnibus. The budget also slashes \$294 million in funding for long-term care for America's veterans, which will reduce the number of patients treated by more than 8,000.

Refuses to end the Disabled Veterans' Tax. The President's budget fails to repeal the Disabled Veterans Tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive. The budget continues to require nearly 400,000 military retirees with service-connected disabilities to continue to pay the Disabled Veterans Tax.

Does not end the Survivor Benefits Tax. The Survivor Benefit Plan penalizes aging survivors, mostly widows, of the veterans of our country. Military retirees pay premiums for years and anticipate that upon their death, their spouse will receive 55 percent of their benefit. But when their survivor reaches 62, a Social Security "offset" drops the benefit to a mere 35 percent. The Bush budget forces the spouses of military retirees to continue to pay this unfair tax.

Fails to expedite disability claims and threatens all veterans' benefits. The President's budget slashes funding for more than 800 employees needed to process disability and other benefit claims in 2005. Today, there are 465,040 veterans awaiting a decision on their claims for compensation and pension benefits, and an additional 148,015 appeals awaiting action. About 106,160 of those veterans have been waiting six months or more for their decisions. Despite this backlog, the budget makes it harder for veterans to get their disability, education, pension, housing and employment benefits by eliminating critically needed staff who process claims for veterans' benefits.

Cuts 50,000 VA home loans. The Bush budget cuts the number of VA home loans for veterans by 50,000 – denying VA home loans to veterans who have taken out a VA home loan in the past.

Slashes funding for medical and prosthetic research. The President budget calls for a \$50 million cut in award-winning VA medical and prosthetic research. This would set the research grant program back six years, just as many of our troops in Iraq and Afghanistan are coming home with terrible injuries that require this expertise.

Health services for Gulf War & Iraqi veterans fail to meet growing need. The President's budget calls for only about 6 percent more for the Gulf War programs to provide health-related services to veterans of the Gulf War, as well as veterans now returning from Iraq and Afghanistan. To meet the needs of returning troops, these programs will likely have to increase significantly more.

